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March 30, 2005

**VIA ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Room TW-B204  
Washington, DC 20554

**Re: Ex Parte Communication**

*WT Docket No. 02-353 – Service Rules for Advanced Wireless Services in the 1.7 GHz and 2.1 GHz Bands*

Dear Ms. Dortch:

Ericsson Inc (Ericsson) submits this ex parte letter to encourage the Commission to consider the Joint Proposal filed by T-Mobile USA, Inc. (T-Mobile) and the Rural Telecommunications Group, Inc. (RTG) on March 11, 2005 to update and revise its plan for Advanced Wireless Services (AWS) in the 1710-1755 and 2110-2155 MHz bands.<sup>1</sup> Specifically, T-Mobile and RTG recommend that the FCC divide the 30 MHz E-Block licenses into three parts and incorporate those parts in a modified AWS band plan as follows: one 10 MHz block of spectrum (1750-1755 paired with 2150-2155 MHz) would continue to be licensed within the 12 REAGs (new Block F); the second 10 MHz spectrum block (1745-1750 paired with 2145-2150 MHz) would be licensed within the 176 EAs, rather than on a REAG basis (new Block E); and the third 10 MHz spectrum block (1740-1745 paired with 2140-2145 MHz) would be combined with the 10 MHz (1735-1740 paired with 2135-2140 MHz), currently assigned to the existing D-Block, for a total of 20 MHz of paired spectrum within the 734 RSAs/MSAs (Joint Proposal).

As discussed below, the T-Mobile/RTG Joint Proposal adapts the Commission's 30 MHz E-Block AWS license block plan to changed market conditions. The proposed plan will enable carriers serving rural and underserved areas to access smaller, more affordable spectrum blocks that may be more appropriate for their needs. At the same time, carriers desiring larger blocks may still aggregate smaller spectrum blocks and licenses through auctions or the secondary market to suit their business plans. Overall, the Joint Proposal's approach provides more

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<sup>1</sup> The Commission adopted its band plan in its *Report and Order, In the Matter of Service Rules for Advanced Wireless Services in the 1.7 GHz and 2.1 GHz Bands*, 18 FCC Rcd. 25,162, recon. pending (2003) (*Report and Order*).

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flexibility and promotes the Commission's competition goals more effectively, based on the current market structure.

In its *Notice of Proposed Rulemaking*, released November 22, 2002, the Commission asked for comments on service rules for AWS, including the amount of spectrum that should be included in each license.<sup>2</sup> Originally, Ericsson recommended that the Commission adopt three licenses of 2x15 MHz as a preferable licensing option since it would reduce the need for and number of guard bands, make efficient use of spectrum, and support a more viable AWS business plan.<sup>3</sup>

Market conditions have changed significantly since Ericsson made that recommendation, however. Industry consolidations have increased the largest wireless carriers' spectrum holdings considerably and the market may continue to move in this direction. At the same time, other national, regional, and rural carriers need access to spectrum on a smaller scale to augment their existing voice and data services and deploy innovative product offerings.

The FCC should respond to this market development by adopting smaller spectrum block sizes that licensees can adjust based on existing spectrum holdings to meet their individual business plans. A wide variety of carriers, including not only incumbent PCS and cellular providers but also new entrants and smaller, rural wireless providers, need smaller spectrum blocks to deploy advanced services effectively, increase their footprint, and improve service quality.<sup>4</sup> Certainly, an individual carrier's needs for AWS spectrum vary greatly depending on the market. Smaller spectrum block sizes, combined with the ability to aggregate and disaggregate spectrum blocks and service areas, will allow carriers to devise spectrum configurations most appropriate for different markets. Consequently, the T-Mobile/RTG approach will achieve the Commission's goals more effectively by allowing market forces to operate freely to ensure a diversity of services, providing adequate spectrum for different uses, and increasing small businesses' ability to provide niche services.

In conclusion, by dividing the available 30 MHz E-Block licenses into three separate 10 MHz components and adopting the Joint Proposal, the Commission will provide the necessary flexibility for all spectrum licensees, whether they are large or small, incumbent or new, to develop and deploy services that meet their business objectives.

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<sup>2</sup> See *Notice of Proposed Rulemaking, In the Matter of Service Rules for Advanced Wireless Services, in the 1.7 GHz and 2.1 GHz Bands*, WT Docket No. 02-353 (2002) at ¶¶ 26-32.

<sup>3</sup> See Comments of Ericsson Inc, *In the Matter of Service Rules for Advanced Wireless Services in the 1.7 GHz and 2.1 GHz Bands*, WT Docket No. 02-353 (Feb. 7, 2003) (Ericsson Comments).

<sup>4</sup> See generally T-Mobile and Rural Telecommunications Group Ex Parte Communication, *In the Matter of Service Rules for Advanced Wireless Services in the 1.7 GHz and 2.1 GHz Bands*, WT Docket No. 02-353 (Mar. 11, 2005).

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Pursuant to Section 1.1206 of the Commission's rules, this letter is being electronically filed with your office. If you have any questions concerning this submission, please contact the undersigned.

Sincerely,

s/ Mark Racek  
Mark Racek  
Director, Spectrum Policy  
Ericsson Inc

s/ Elisabeth H. Ross  
Elisabeth H. Ross  
Attorney for Ericsson Inc